

ALBERT LEA PORT AUTHORITY

MINUTES

April 6, 2016 - 7:30 a.m.

Regular Meeting

Albert Lea Business Development Center

1. CALL TO ORDER & NOTATION OF ROLL

The Regular Meeting of the Albert Lea Port Authority was called to order on Wednesday, April 6, 2016 at 7:30 a.m. by President Heinemann. Roll was noted by the Board Secretary.

COMMISSIONERS PRESENT: Vern Rasmussen, Jr., Al Brooks, Nate Jansen, Ginny Larson, Mark Heinemann, and Sarah Hensley

COMMISSIONERS ABSENT: Mike Moore

EX-OFFICIO MEMBERS PRESENT: Chad Adams, City of Albert Lea representative and Mike Lee, Freeborn County representative

EX-OFFICIO MEMBERS ABSENT: Randy Kehr, business community representative

STAFF MEMBERS PRESENT: Ryan Nolander, Executive Director; Shannon Berns, Business & Marketing Manager; and Julie Dandrea, Board Secretary

STAFF MEMBERS ABSENT: None

GUESTS: Bryan Skogheim – Freeborn Mower Cooperative Services

2. APPROVAL OF MINUTES FROM MARCH 9, 2016 MEETING

The minutes from the March 9, 2016 meeting were reviewed. Commissioner Brooks made a motion to approve the minutes as presented, seconded by Commissioner Hensley. President Heinemann asked for any discussion and hearing none, the motion carried 6 in favor; 0 opposed.

3. RESOLUTION PA-16-08 AUTHORIZING PAYMENT OF CLAIMS

The claims were presented for review. Three payments were noted: The Marketing Plant forgot to bill for three months (January through March); there is a progressive payment for the audit work; and two on-demand water heaters in the ALBDC were installed to replace the large one servicing the kitchen and DBN's lab. Submitted rebates will partially offset the water heater costs. Commissioner Jansen made a motion to accept the claims as presented in the amount of \$26,327.65, seconded by Commissioner Larson. President Heinemann asked for any discussion and hearing none, the motion carried 6 in favor; 0 opposed.

4. RESOLUTION PA-16-09 APROVING EMPLOYEE HANDBOOK

The draft was emailed out to the board last weekend. There have been no formal policies in place. At the suggestion of the local attorney who drafted the policy, the Port Authority as a public entity should include some of these items. Pages 5, 6, 8, and 14 are specific ALEDA policies. A small change regarding travel was handed out. As the draft is written, the board would have had to approve all travel even for local conferences. President Heinemann had a questions regarding accruing on the financials for PTO. Executive Director Nolander stated that the Port will have to

accrue for paying out PTO and also the short term disability bank and he will talk to HDM and the auditors on how best to do this. Commissioner Larson emailed a question prior to the board meeting on PTO and holiday hours. Holiday hours are separate days from PTO. Commissioner Jansen asked about the required hours per week for salaried, non-exempt. Commissioner Brooks made a motion to approve the policy handbook, seconded by Commissioner Larson. The motion passed 6 in favor; 0 opposed.

5. NEW SUBORDINATION AGREEMENT PICKERAL PARK LOAN

The dba, Newbury Living is refinancing with a different bank. As review, the lump sum payments for these loans are due in 2030. There are two loans owed to the Port for \$500K and \$5K, and one to Greater Jobs for \$5K. We have reviewed the agreement, along with the city attorney. Commissioner Rasmussen made a motion to approve the new master subordination agreement and estoppel certificate. Commissioner Jansen seconded it and the motion passed 6 in favor; 0 opposed.

6. EXECUTIVE DIRECTOR'S REPORT

Project Updates:

- **Project Flight** – ALEDA Park was pitched as the location to fit their needs. The site selector for the project contacted us after reviewing our proposal with the client and it's now in the client's hands. Executive Director Nolander and City Manager Adams reworked the numbers and offered an aggressive second incentive option with front-loaded incentives after learning this was important to the company. Nolander contacted two groups that would be willing to construct a building and lease to the company as the site selector stated that another potential location has offered this service.
- **Enderes Property Update** – Ventura wants to buy the property and is moving forward. Our intent is to recoup our costs. Ventura is aware Freeborn County Coop has interest in using a rail spur on the property so they may be able to work out an arrangement. We've had issues regarding the fence taken out with mud going onto the parking lot of Fountain Industries so the contractor put a silt fence in. Grass seed can't be planted until the ground dries up.
- **Northaire Retention Pond** – The paperwork is done on the property. The city purchased a piece of the alpaca farm property for the regional pond. The pond should be done by June. The pond will be able to service MCB, Select Foods, Zumbro River Brand, Riverland College, and Mrs. Gerry's.
- **South #1 Roof** – The roof is nearing the end of its life, but core samples show the base insulation isn't bad. A full tear off will not be needed. ZRT is working on the bid to include an alternate to include replacing as three sections our as a whole. The estimate was over \$700K for a full tear off. Advertising will happen the end of April. When the bids are returned, we'll decide then if it will be done in sections or all at once. It will be bid as a 25-year roof.
- **Bank Building** – The city received two proposals, Cohen Esrey and a local group. After meeting with both groups, the decision was made to go with Cohen Esrey again, as this year will be their best chance to get tax credits. The other group wanted to do a hotel on the upper floors with a reception area on the main level with a bar/restaurant. The group didn't have the required pro forma and were not ready at this time.

JOBZ Audits – The results of the annual audit report were handed out. Seven companies participated throughout the entire project. Final job numbers were 907 total and 134 was the original number required. The Job Creation Fund is the replacement program and has required criteria to meet, which is good, but has prevailing wages tied to it. The total capital investment has

been \$62,395,944. Mike Lee commented that all the jobs lost after the packing plant fire plus more have been replaced through this program. It's been good for Albert Lea. Commissioner Rasmussen suggested sending the results to Representative Bennett and Senator Sparks and include remarks about the current JCF program.

Prestige Foods – They plan to build a 600,000 square foot building in Mason City and employ 2,000 people. Neither our organization nor the state had heard anything about this project which is unusual for something of this size. Commissioner Jansen discussed the incentives that Mason City offered to help for future proposals. Commissioner Rasmussen suggested putting a plan in place on how to address a project this large if it would come to Albert Lea. Our infrastructure may not be able to accommodate large projects and we should know our capabilities before submitting proposals to companies. Commissioner Larson asked about having a strategic planning session and incorporating this suggestion. Executive Director Nolander said there hasn't been a strategic planning session for quite some time and because of board turnover, one will be planned.

Property Taxes – A handout showing 2016 taxes and past history was handed out. Our organization will pay over \$250K this year in taxes and assessments. Assessments are going down, but taxes went up. The ALEDA spec building ZRB is leasing is going up considerably due to going from 2/3s on the tax roll to fully on the tax roll. The assessor didn't realize that they were leasing the whole building.

Recent & Future Meetings:

- Chamber Ag Lunch – Executive Director Nolander attended the lunch on 3/15/16. The MN Ag Commissioner talked about Cuba and agriculture.
- CGMC's Legislative Action Day was held on 3/16/16. Councilman Baker, Mayor Rasmussen, the city and assistant city manager attended, along with Executive Director Nolander. They met with one of the Governor's policy advisors, had a session at the Coalition of Greater MN Cities offices, and then met with Senator Sparks and Representative Bennett. LGA was a big issue discussed.
- Hill Capital Public Meeting on 3/22/16. Evites were sent out to attend the meeting in our conference room. This is a venture capital fund. Entrepreneurs came looking for funding, however, the group was targeting investors. President Heinemann attended and gave his perceptions. He thought they may find more success with larger regional areas, unless they adjust their scope. Local officials/investors wouldn't be able to give input on local projects because Hill Capital has their own review committee. They do want to establish relationships with local banks.
- MERC held a public hearing on 3/29/16. Everyone received a flyer in their bill about rate increases. Only three residents, Chad Adams and Executive Director Nolander went to the public meeting held at city hall. We are looking at an increase of 21 - 47%, as Alliant hadn't increased rates for 20 years. MERC's other territories only went up a few percent because they were already paying higher rates. Staff will send out an email to the Greater Jobs membership. Commissioner Larson suggested the Chamber send this information out also.
- SE MN Together Planning Session – There is a planning session later today in Oronoco that Chad Adams, Austin City Manager Craig Clark, Randy Kehr, Val Kvale with Workforce, and Executive Director Nolander will attend to discuss the future and moving forward.
- Journey-2-Growth Quarterly Meeting will be held on 4/13/16. Anyone want to attend this meeting in Stewartsville is welcome to go.

7. EX-OFFICIO UPDATE

Freeborn County – Mike Lee, Freeborn County Representative

- Electronic waste days are scheduled at the fairgrounds for May 27th and September 23rd from 10

am to 2pm. Suggestions were given to Mike to bring back for consideration including a Saturday or extended hours to enable people to go during nonworking hours, and to improve flow by having people hand out forms to be filled out to those waiting in line in their cars.

- The county passed a resolution in support of the watershed sales tax to continue for 15 years and capped at \$15M.
- Mike encouraged the board to inform the state about local road conditions.

City of Albert Lea – Chad Adams, City of Albert Lea Representative

- Other areas are now doing housing summits to identify each communities' needs.
- The watershed sales tax renewal resolutions will be coming to a vote.
- They are looking to extend the downtown façade program down the South Broadway corridor.
- The Stables project is looking good and we might get public facilities funding from the state and be able to pull this project out of the current bonding bill. The gap funding needed for finishing the Blazing Star trail over the lake didn't get any allocations.
- There are some tax forfeiture parcels coming up for auction which include a couple of items of interest. One may be of interest to the Port Authority located on Plaza Street with 30+ acres. There have been no tax payments made for five years.
- The city had been looking at the former Ramsey School. Someone bought it for \$1 and recently sold it during an online auction for \$40K. The new owner potentially wants to do a housing project.
- Space in the 314 S. Broadway building will be leased to the United Way, Senior Resources, and maybe some other nonprofits. These agencies can save a lot on overhead if they are sharing space.

Chamber of Commerce – (In Randy's absence, E.D. Nolander gave the update.)

- A regional job and career fair will be held on April 19, from 2-6 pm at Northbridge Mall.
- In partnership with Riverland, there will be a Career Exploration on April 28 from 8 am to 2 pm. in Austin.
- On April 21st there will be a Lunch and Learn on diversity and inclusion sponsored by the H&R Group and the Chamber. A DEED specialist will facilitate.
- A young adult job fair will be held at the high school from 4-6pm on April 28th for high school students looking for a part-time or summer job.

8. COMMISSIONER/OTHER ITEMS - None

9. ADJOURNMENT

Commissioner Rasmussen made a motion to adjourn the meeting, seconded by Commissioner Brooks. The motion carried 6 in favor, 0 opposed. The meeting adjourned at 8:45 a.m.

Filed and attested April 6, 2016.



President



Board Secretary